

RAILROAD COMMISSION OF TEXAS

VICTOR G. CARRILLO, CHAIRMAN
ELIZABETH A. JONES, COMMISSIONER
MICHAEL L. WILLIAMS, COMMISSIONER

INTERNAL
OIL AND GAS DIVISION
TOMMIE SEITZ, DIRECTOR

January 6, 2010

MEMORANDUM TO: Chairman Victor G. Carrillo
Commissioner Elizabeth A. Jones
Commissioner Michael L. Williams

FROM: William B. Miertschin, Assistant Director
Site Remediation

SUBJECT: **Site Remediation's Summary Report:**
December 2009

Attached is the monthly report concerning the State-managed pollution site cleanup activities. This report contains the following:

1. A summary of all attachments (Attachment A)
2. **In December 2009, a total of 14 activities were completed at a total cost of \$43,699.59. (Attachment B)**
3. **Of the activities completed in December 2009, one of these activities exceeded the original award or work order amount by greater than 10% (Attachments C, D, & E)**
4. Of the activities completed in December 2009, 12 were routine cleanup activities, two were emergency cleanup activities, and none were assessment activities, (Attachment F)
5. In December 2009, a total of 16 activities have been authorized for bid solicitation and codes for a total estimated cost of \$251,395.00. (Attachment G)



William B. Miertschin

WBM/dc
Attachments

ATTACHMENT A

Monthly State-Managed Pollution Site Cleanup Activities for December 2009 and FY 2010 to date

Completed Cleanup Activities (See Attachments B, C, D, E & F)

| | |
|---|--------------|
| 1. Number of Cleanup Activities Completed in December 2009 | 14 |
| Total Cost of Cleanup Activities Completed in December 2009 | \$43,699.59 |
| Total Number of Cleanup Activities where the the Final Cost Exceeded the Award or Work Order Amount by > 10% in December 2009 | 1 |
| 2. Number of Cleanup Activities Completed in FY 2010 | 41 |
| Total cost of Cleanup Activities Completed in FY 2010 | \$153,666.66 |
| Total Number of Cleanup Activities where the the Final Cost Exceeded the Award or Work Order Amount by > 10% in FY 2010 | 7 |

New Cleanup Activities (See Attachment G)

| | |
|---|----------------|
| 1. Number of Cleanup Activities Authorized for Bid Solicitation and Codes Issued in December 2009 | 16 |
| Estimated Cost of Cleanup Activities Authorized in December 2009 | \$251,395.00 |
| 2. Number of Cleanup Activities Authorized for Bid Solicitation and Codes Issued in FY 2010 | 88 |
| Estimated Cost of Cleanup Activities Authorized in FY 2010 | \$1,135,083.30 |

Cleanup Activities Approved But Not Completed

| | |
|---|----------------|
| 1. Total Number of Remaining Cleanup Activities as of the last day of December 2009 | 114 |
| Total Estimated Cost of Remaining Cleanup Activities | \$4,015,180.30 |

Cleanup Activities Canceled Without Cost to State

| | |
|--|---|
| 1. Number of Authorized Cleanup Activities Canceled in December 2009 | 0 |
| Total Number of Authorized Cleanup Activities Canceled in FY 2010 | 0 |

Miscellaneous Codes - not included in final count but costs are included in final costs (Attachment D)

| | |
|---|---|
| 1. Number of Miscellaneous Codes Completed in December 2009 | 0 |
| Number of Miscellaneous Codes Completed in FY 2010 | 0 |

ATTACHMENT B**Summary of cleanup activities completed during December 2009**

| DIST NO. | THIS MONTH | | YEAR TO DATE | |
|---------------|------------|--------------------|--------------|---------------------|
| | COMP | COST TO STATE | COMP | COST TO STATE |
| 1 | 2 | \$4,349.34 | 5 | \$10,330.76 |
| 2 | 0 | \$0.00 | 0 | \$0.00 |
| 3 | 0 | \$0.00 | 1 | \$2,458.61 |
| 4 | 0 | \$0.00 | 1 | \$6,321.84 |
| 5 | 2 | \$8,585.00 | 3 | \$15,168.50 |
| 6 | 3 | \$18,839.50 | 8 | \$34,015.50 |
| 7B | 6 | \$8,990.75 | 11 | \$17,018.19 |
| 7C | 1 | \$2,935.00 | 3 | \$14,063.40 |
| 8 | 0 | \$0.00 | 8 | \$51,809.86 |
| 8A | 0 | \$0.00 | 0 | \$0.00 |
| 9 | 0 | \$0.00 | 0 | \$0.00 |
| 10 | 0 | \$0.00 | 1 | \$2,480.00 |
| TOTALS | 14 | \$43,699.59 | 41 | \$153,666.66 |

ATTACHMENT C

Summary of cost overruns for cleanup activities completed in December 2009

| | This Month | Year-to-Date |
|---------------|---|---|
| DIST NO. | Final Cost Exceeded the Award Amount by > 10% | Final Cost Exceeded the Award Amount by > 10% |
| 1 | 1 | 1 |
| 2 | 0 | 0 |
| 3 | 0 | 0 |
| 4 | 0 | 1 |
| 5 | 0 | 0 |
| 6 | 0 | 0 |
| 7B | 0 | 0 |
| 7C | 0 | 0 |
| 8 | 0 | 5 |
| 8A | 0 | 0 |
| 9 | 0 | 0 |
| 10 | 0 | 0 |
| TOTALS | 1 | 7 |

ATTACHMENT D

List of cost overruns greater than 10% of the original contract amount that were completed in December 2009.

| CU # | Req. # | Orig Award | Actual Cost | % |
|--|-------------|------------|-------------|----------|
| 01-54442 | 455-10-0257 | \$1,000.00 | \$3,724.34 | 272.4% |
| | | | | |
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| | | | | |
| | | | | |
| Total number of cleanup activities where the final cost | | | | 1 |

ATTACHMENT E

Cost Overruns Greater than 10%

CU 01-54442: Unidentified Operator; G. W. West Ranch, Zavala County

Original Award Amount - \$1,000.00, POCN Award Amount - \$4,000.00, Final Cost - \$3,724.35, Increase of 272.4%

The activity was awarded to RCLJ Construction, Inc. on October 8, 2009, for \$1,000.00, to clamp the leak in the pipeline at the subject site and other activities necessary to abate the emergency and secure the site. However, additional personnel and equipment were required to locate and trace the leaking line and to isolate and plug the line, increasing the final cost to a total of \$3,724.34 for this activity.

ATTACHMENT F

Summary of cleanup activities completed during December 2009 by activity type

| TYPE OF ACTIVITY COMPLETED | THIS MONTH | | YEAR TO DATE | |
|---------------------------------------|------------|---------------------|--------------|----------------------|
| | NO. | COSTS | NO. | COSTS |
| Routine Site Cleanups (CU) | 12 | \$ 39,350.25 | 32 | \$ 131,407.79 |
| Emergency Site Cleanups (EC) | 2 | \$ 4,349.34 | 6 | \$ 16,903.87 |
| Assessment Activities (AS) | 0 | | 3 | \$ 5,355.00 |
| Abatement Activities (AB) | 0 | | 0 | \$ - |
| Partial Site Cleanups (PC) | 0 | | 0 | \$ - |
| Miscellaneous Cleanup Activities (MC) | 0 | | 0 | \$ - |
| TOTALS | 14 | \$ 43,699.59 | 41 | \$ 153,666.66 |

ATTACHMENT G

Summary of Cleanup Activities Approved/Codes Issued During December 2009

| DIST. NO. | THIS MONTH | | YEAR TO DATE | |
|---------------|------------|---------------------|--------------|-----------------------|
| | APPR | EST COST | APPR | EST COST |
| 1 | 1 | \$5,000.00 | 33 | \$206,000.00 |
| 2 | 0 | \$0.00 | 1 | \$51,000.00 |
| 3 | 0 | \$0.00 | 10 | \$238,254.60 |
| 4 | 1 | \$36,038.50 | 7 | \$115,776.00 |
| 5 | 1 | \$30,548.50 | 2 | \$35,548.50 |
| 6 | 0 | \$0.00 | 6 | \$35,100.00 |
| 7B | 1 | \$10,000.00 | 5 | \$110,681.00 |
| 7C | 5 | \$127,308.00 | 9 | \$197,696.70 |
| 8 | 0 | \$0.00 | 4 | \$52,790.00 |
| 8A | 0 | \$0.00 | 0 | \$0.00 |
| 9 | 5 | \$20,000.00 | 8 | \$64,736.50 |
| 10 | 2 | \$22,500.00 | 3 | \$27,500.00 |
| TOTALS | 16 | \$251,395.00 | 88 | \$1,135,083.30 |

Summary of Actions -- Cleanups
using State Funds
12/01/2009 to 12/31/2009

Date Run: 01/11/2010

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| Packet ID | Operator Lease | Priority | County | RRC Estimate | Cost to State | Difference |
|-------------|---|----------|------------------------|-----------------|------------------|-------------|
| ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 01 54461 CU | Shawnee Operating Company Jacobs | EC-A | ZAVALA Packet Total | \$2,000.00 | \$625.00 | -\$1,375.00 |
| | | | | ----- | ----- | ----- |
| 01 54442 CU | Unidentified G.W. West Ranch unidentified PL | EC-A | ZAVALA Packet Total | \$4,000.00 | \$3,724.34 | -\$275.66 |
| | | | | ----- | ----- | ----- |
| | | | REPORT TOTAL | \$6,000.00 | \$4,349.34 | -\$1,650.66 |
| | | | | ===== | ===== | ===== |

Summary of Actions -- Cleanups
 using State Funds
 12/01/2009 to 12/31/2009

Date Run: 01/11/2010

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| Packet ID | Operator Lease | Priority | County | RRC Estimate | Cost to State | Difference |
|-------------|-------------------|----------|--------------|-----------------|------------------|------------|
| ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 03 53956 CU | Unidentified | MS-A | LIBERTY | | | |
| | Daisetta Sinkhole | | Packet Total | \$10,000.00 | \$9,958.53 | -\$41.47 |
| | | | | ----- | ----- | ----- |
| | | | REPORT TOTAL | \$10,000.00 | \$9,958.53 | -\$41.47 |
| | | | | ===== | ===== | ===== |

Summary of Actions -- Cleanups
 using State Funds
 12/01/2009 to 12/31/2009

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| Packet ID | Operator Lease | Priority | County | RRC Estimate | Cost to State | Difference |
|-------------|---------------------------------------|----------|--------------|-----------------|------------------|--------------|
| 05 54308 CU | Energy 2000, Inc. Carter, Geo. W. | CU-A | VAN ZANDT | | | |
| | | | Packet Total | \$21,500.00 | \$4,980.00 | -\$16,520.00 |
| 05 54330 CU | Energy 2000, Inc. Carter, G.W. -B- | CU-A | VAN ZANDT | | | |
| | | | Packet Total | \$13,500.00 | \$3,605.00 | -\$9,895.00 |
| | | | REPORT TOTAL | \$35,000.00 | \$8,585.00 | -\$26,415.00 |

Summary of Actions -- Cleanups
using State Funds
12/01/2009 to 12/31/2009

Date Run: 01/11/2010

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| Packet ID | Operator Lease | Priority | County | RRC Estimate | Cost to State | Difference |
|-------------|---|----------|--------------|-----------------|------------------|--------------|
| 06 54171 CU | Longleaf Production, LLC Winston -B- | CU-B | HARRISON | | | |
| | | | Packet Total | \$25,000.00 | \$7,984.50 | -\$17,015.50 |
| 06 54178 CU | SHWJ Oil & Gas Co Inc Furrh | CU-A | HARRISON | | | |
| | | | Packet Total | \$25,000.00 | \$5,790.00 | -\$19,210.00 |
| 06 54179 CU | SHWJ Oil & Gas Co Inc Furrh-A | CU-A | HARRISON | | | |
| | | | Packet Total | \$25,000.00 | \$5,065.00 | -\$19,935.00 |
| | | | REPORT TOTAL | \$75,000.00 | \$18,839.50 | -\$56,160.50 |

Summary of Actions -- Cleanups
using State Funds
12/01/2009 to 12/31/2009

Date Run: 01/11/2010

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| Packet ID | Operator Lease | Priority | County | RRC Estimate | Cost to State | Difference |
|-------------|---|----------|--------------|-----------------|------------------|--------------|
| ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 7B 54359 CU | Crude Production Company Hough, Willis | CU-B | CALLAHAN | | | |
| | | | Packet Total | \$5,000.00 | \$1,139.65 | -\$3,860.35 |
| | | | | ----- | ----- | ----- |
| 7B 54393 CU | Diversified O&G Prod. Co., Inc. Smoot | CU-A | EASTLAND | | | |
| | | | Packet Total | \$5,500.00 | \$1,177.06 | -\$4,322.94 |
| | | | | ----- | ----- | ----- |
| 7B 54358 CU | Morita Energy, LLC Carpenter, J.F. | CU-B | CALLAHAN | | | |
| | | | Packet Total | \$5,000.00 | \$1,105.83 | -\$3,894.17 |
| | | | | ----- | ----- | ----- |
| 7B 54404 CU | Orth Oil Company, Inc. McGinnis | CU-B | EASTLAND | | | |
| | | | Packet Total | \$6,000.00 | \$1,279.70 | -\$4,720.30 |
| | | | | ----- | ----- | ----- |
| 7B 54238 CU | Windham Resources Nevins | CU-B | TAYLOR | | | |
| | | | Packet Total | \$5,200.00 | \$2,283.18 | -\$2,916.82 |
| | | | | ----- | ----- | ----- |
| 7B 54415 CU | Windham Resources Newman | CU-B | TAYLOR | | | |
| | | | Packet Total | \$7,000.00 | \$2,005.33 | -\$4,994.67 |
| | | | | ----- | ----- | ----- |
| | | | REPORT TOTAL | \$33,700.00 | \$8,990.75 | -\$24,709.25 |
| | | | | ===== | ===== | ===== |

Summary of Actions -- Cleanups
 using State Funds
 12/01/2009 to 12/31/2009

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| Packet ID | Operator Lease | Priority | County | RRC Estimate | Cost to State | Difference |
|-------------|-------------------|----------|--------------|-----------------|------------------|-------------|
| ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 7C 54437 CU | Unidentified | CU-B | REAGAN | | | |
| | 160 BBL Blue Tank | | Packet Total | \$4,000.00 | \$2,935.00 | -\$1,065.00 |
| | | | | ----- | ----- | ----- |
| | | | REPORT TOTAL | \$4,000.00 | \$2,935.00 | -\$1,065.00 |
| | | | | ===== | ===== | ===== |

Summary of Approvals -- Cleanups
 using State Funds
 12/01/2009 to 12/31/2009

Date Run: 01/11/2010

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| Packet ID | Operator Lease | County Lse or Gas ID | Priority | Number Approved | RRC Estimate |
|-------------|---------------------|-------------------------|----------|--------------------|-----------------|
| 01 54488 CU | Ginco Operating Co. | CALDWELL 03905 | EC-A | 1 | \$5,000 |
| TOTAL | | | | 1 | \$5,000 |

Summary of Approvals -- Cleanups
using State Funds
12/01/2009 to 12/31/2009

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| Packet ID | Operator Lease | County Lse or Gas ID | Priority | Number Approved | RRC Estimate |
|-------------|--|-------------------------|----------|--------------------|-----------------|
| 04 54101 CU | Steve's Oilfield Services, Inc. Mud Disposal Pit (Sanford Prop) | KLEBERG -6105 | AS-A | 1 | \$36,038 |
| TOTAL | | | | 1 | \$36,038 |

Summary of Approvals -- Cleanups
 using State Funds
 12/01/2009 to 12/31/2009

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| Packet ID | Operator Lease | County Lse or Gas ID | Priority | Number Approved | RRC Estimate |
|-------------|------------------------------------|-------------------------|----------|--------------------|-----------------|
| 05 54473 CU | Unidentified Next to Koepp Site | HENDERSON -6906 | AS-A | 1 | \$30,548 |
| | | | TOTAL | 1 | \$30,548 |

Summary of Approvals -- Cleanups
 using State Funds
 12/01/2009 to 12/31/2009

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| Packet ID | Operator Lease | County Lse or Gas ID | Priority | Number Approved | RRC Estimate |
|-------------|----------------------------------|-------------------------|----------|--------------------|-----------------|
| 7B 54489 CU | Unidentified Baker Ranch Seep | SHACKELFORD -6736 | EC-A | 1 | \$10,000 |
| TOTAL | | | | 1 | \$10,000 |

Summary of Approvals -- Cleanups
using State Funds
12/01/2009 to 12/31/2009

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| Packet ID | Operator Lease | County Lse or Gas ID | Priority | Number Approved | RRC Estimate |
|-------------|--|-------------------------|----------|--------------------|-----------------|
| 7C 54491 CU | Amax Oil & Gas, Inc. Hughes 169 | REAGAN 05067 | CU-B | 1 | \$6,500 |
| 7C 54490 CU | Triton Oil & Gas Hughes, Mary "A" | REAGAN 05059 | CU-B | 1 | \$5,000 |
| 7C 54487 CU | Unidentified Farrington | IRION -6933 | CU-B | 1 | \$6,000 |
| 7C 54480 CU | Unidentified Grimes Windmill | UPTON -6913 | AS-A | 1 | \$69,965 |
| 7C 54350 CU | Unidentified Holubek Farms - Dusek Well | MCCULLOCH -6832 | AS-A | 1 | \$39,842 |
| | | | TOTAL | 5 | \$127,308 |

Summary of Approvals -- Cleanups
using State Funds
12/01/2009 to 12/31/2009

Date Run: 01/11/2010

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| Packet ID | Operator Lease | County Lse or Gas ID | Priority | Number Approved | RRC Estimate |
|-------------|---|-------------------------|----------|--------------------|-----------------|
| 09 54495 CU | Alco Oil & Gas Co., LLC Perkins -F- | ARCHER 00093 | CU-A | 1 | \$5,000 |
| 09 54492 CU | American Petroleum Corp Lillie Hooks | WICHITA 05716 | CU-B | 1 | \$5,000 |
| 09 54493 CU | American Petroleum Corp Lochridge | WICHITA 05239 | CU-B | 1 | \$5,000 |
| 09 54494 CU | Jue, Lewis Love Heirs | WICHITA 05277 | CU-B | 1 | \$4,000 |
| 09 54497 CU | Unidentified Watson Property | WICHITA | AS-A | 1 | \$1,000 |
| | | | TOTAL | 5 | \$20,000 |

Summary of Approvals -- Cleanups
using State Funds
12/01/2009 to 12/31/2009

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| Packet ID | Operator Lease | County Lse or Gas ID | Priority | Number Approved | RRC Estimate |
|-------------|---|-------------------------|----------|--------------------|-----------------|
| 10 54485 CU | Energy 2000, Inc. Whittenburg, J. A. -B- | HUTCHINSON 00800 | CU-B | 1 | \$20,500 |
| 10 54496 CU | TJ Oil Company Kingsland -E- | HUTCHINSON 009747 | CU-B | 1 | \$2,000 |
| TOTAL | | | | 2 | \$22,500 |